York Teaching Hospital NHS
NHS Foundation Trust

The next general meeting of the **Trust's Council of Governors** meeting will take place

on: **Wednesday 17th October 2012**

at: **3.15pm – 4.10pm**

in: **Social Club, White Cross Road, York YO31 8JR**

Time	Meeting	Attendees
3.15pm – 4.10pm	Private meeting of the Council of Governors	Governors with Chairman and Foundation Trust Secretary
4.15pm – 6.00pm	**Council of Governors meeting**	**Governors and public**

If you are a Governor, member of our Trust or member of the public and would like to ask a question, please contact the Foundation Trust Secretary, Anna Pridmore:

Email: anna.pridmore@york.nhs.uk or telephone: 01904 725075

All questions should be submitted by 12 noon on Monday 15th October

York Teaching Hospital NHS
NHS Foundation Trust

A G E N D A				
No'	*Item*	*Lead*	*Paper*	*Page*
1.	**Chairman's Introduction** The Chairman will introduce the meeting and welcome any members of the Trust and of the public who are in attendance.	Chairman		
2.	**Apologies for absence** To receive any apologies for absence.	Foundation Trust Secretary		
3.	**Declaration of Interests** To receive the draft declarations of interests.	Chairman	A	5
4.	**Minutes from the meeting held in public on 23rd May 2012** To receive the minutes from the meeting held on 23rd May 2012.	Chairman	B	11
5.	**Matters arising from the minutes** To consider any matters arising from the minutes.	Chairman		
6.	**Update from the private meeting held** To receive an update from the Chairman on the topics and decisions of the business discussed in the private meeting. A copy of the Chairman's Objectives for the year ahead are enclosed.	Chairman	Verbal C	 21
7.	**Audit Committee Annual Report** The Chairman of the Audit Committee to present the Annual Report from the Audit Committee.	Chairman of Audit Committee	D	23
8.	**Quality Report – external Audit** To receive the report from External Auditor.		E	29

No'	*Item*	*Lead*	*Paper*	*Page*
9.	**Chief Executive & Chairman Open Session** To receive an update from the Chief Executive on current issues at the Trust, including an update on the PCT's approach to the financial challenges in the North Yorkshire and York health economy. To take questions or comments on the Chairman's Report, the recent Board of Directors minutes (see item 10) and respond to any questions submitted to the meeting or raised by Governors.	Chief Executive & Chairman	Verbal	
10.	**Minutes of Board of Directors** To receive the most recently available minutes of the Board of Directors.	Chairman	F	47
11.	**Non-executive Directors (NEDs)** An introduction to three of our Non-executive Directors team.	Dianne Willcocks, Mike Sweet, Mike Keaney	Verbal	
12.	**Lead Governor Report** To receive a report from the Lead Governor and any other verbal reports from Governors involved in ongoing activities related to the Trust.	Lead Governor	Verbal	
13.	**Update on the induction programme** To receive an update on the planned induction programme.	Chairman	Verbal	
14.	**Any other business** To consider any other items of business.			
15.	**Next meeting** The next meeting of the Council of Governors will be held on Wednesday 12th December 2012 at the Social Club, White Cross Road, York YO31 8JR.			

Additional enclosures for information:

1. List of Governors.
2. NED linkages chart
3. List of Council of Governors meeting dates for December 2012 – December 2013.
4. Update from Brian Golding with regard to the demolition of Bootham Park Court.

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Draft declaration of interests

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Governor	Relevant and material interests					
	Directorships including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies).	Ownership part-ownership or directorship of private companies business or consultancies likely or possibly seeking to do business with the NHS.	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services	Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS foundation trust including but not limited to, lenders or banks
Jeanette Anness *(Public: Ryedale and East Yorkshire)*	Nil	Nil	Nil	Nil	Nil	Nil
Terry Atherton *(Public: Bridlington)*	Nil	Nil	Nil	Nil	Nil	Nil
Paul Baines *(Public: City of York)*	Nil	Nil	Nil	Nil	Nil	Nil
Cllr Michael Beckett *(Appointed: North Yorkshire and York Forum)*						
Ann Bolland *(Public: Selby)*						
Andrew Butler *(Public: Selby)*						
James Carder *(Public: Selby)*	TBA	TBA	TBA	TBA	TBA	TBA
Dr Jane Dalton *(Public: Hambleton*	Nil	Nil	Nil	**Trustee and Director** North Yorkshire and York Forum	Nil	**Researcher—**Health and Social Care, University of York

Governor	Relevant and material interests					
	Directorships including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies).	Ownership part-ownership or directorship of private companies business or consultancies likely or possibly seeking to do business with the NHS.	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services	Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS foundation trust including but not limited to, lenders or banks
Dr David Geddes (Partner: NYY PCT)	**Director—**Medipex **Executive Medical Director and Director—** Primary Care, NHS North Yorkshire and York.	**GP Partner—**Clifton Medical Practice	Nil	**Trustee**—Clarence Gardens association. **Medical Advisor**—MIND @ Our Celebration	Partner of an employee of York NHS Foundation Trust.(Department of Gynaecology). **GP**—Harrogate District Foundation Trust OOH services.	Nil
Philip Hewittson (Appointed PCT (SWR)						
Stephen Hinchliffe (Public: Whitby)	TBA	TBA	TBA	TBA	TBA	TBA
Margaret Jackson (Public: York)	Nil	Nil	Nil	Nil	Nil	Nil
Rowena Jacobs (Partner: University of York)	Nil	Nil	Nil	Nil	Nil	Nil
Alison MacDonald (Staff: Nursing & Midwifery Class)	Director and Company Secretary—Health and Safety Consultancy	Nil	Nil	Nil	Nil	Nil
Helen Mackman (Public: City of York)	Nil	Nil	Nil	Nil	**Member—**Vale of York Clinical Commissioning group's Public Engagement Steering Group	Nil

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	Directorships including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies).	Ownership part-ownership or directorship of private companies business or consultancies likely or possibly seeking to do business with the NHS.	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services	Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS foundation trust including but not limited to, lenders or banks
Sheila Miller (Public: Ryedale and East Yorkshire)	Nil	Nil	Nil	**Chairman**—Ryedale Link. **Member**—Derwent and SRCCG Patients Groups	Nil	TBA
Helen Noble (Staff: Scarborough)	TBA	TBA	TBA	TBA	TBA	TBA
Les North (Staff: Community Staff)						
Nevil Parkinson Public: Selby District)	Nil	Nil	Nil	**Director—**West Riding Masonic Charities Ltd	Nil	Nil
Cllr Caroline Patmore (North Yorkshire County Council)	Nil	Nil	Nil	Nil	**Councillor—**North Yorkshire County Council District Councillor—Hambleton District Council	**Councillor—**North Yorkshire County Council
Mr James Porteous (Public: York)	**Trustee—**Notions Business and Marketing Consultants	Nil	Nil	**President—**British Polio Fellowship - Yorkshire Region, Leeds and North Yorkshire Region British Polio Fellowship **Chairman—**Wheelchair Users Advisory Panel (Harrogate District Hospital NHS Foundation Trust)	Nil	Nil

Governor	Relevant and material interests					
	Directorships including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies).	Ownership part-ownership or directorship of private companies business or consultancies likely or possibly seeking to do business with the NHS.	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services	Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS foundation trust including but not limited to, lenders or banks
Cllr Joseph Richies (Appointed: City of York Council)	TBA	TBA	TBA	TBA	TBA	TBA
Martin Skelton (Staff: Clinical Professional)	Nil	Nil	Nil	Nil	Nil	Nil
Brian Thompson (Public: Patient/Carer)	**Trustee—**Thompson's of Helmsley Ltd	Nil	Nil	Nil	Nil	Nil
Dr Andrew Volans (Staff: Scarborough)	TBA	TBA	TBA	**BMA Rep**—LNC **Medical Lead—**College of Search and Rescue Medicine. Training Rescue Paramedics for Coast Guard Helicopter Service	TBA	TBA
Sue Wellington (Public: Scarborough)	TBA	TBA	TBA	TBA	TBA	TBA
David Wheeler (Public: Scarborough)	Nil	Nil	Nil	Nil	Nil	Nil
Penelope Worsley (Public: York)	**Trustee**—NGO working overseas	Nil	Nil	Nil	Nil	TBA

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York Teaching Hospital NHS
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Minutes of the meeting of the York Teaching Hospital NHS Foundation Trust Council of Governors held on 23rd May 2012, in the Social Club, White Cross Road, York.

Present:	Mr Alan Rose, Chairman
Public Governors:	Mr Paul Baines, City of York Mr John Batt, North Yorkshire CC Mrs Helen Butterworth, City of York Dr Jane Dalton, Hambleton Dr David Geddes, NYY PCT Mr Jim Porteous, City of York Mrs Diane Rhodes, Selby District Mrs Helen Mackman, City of York Mr Joseph Riches, City of York Mr David Robson, City of York Mr Nevil Parkinson, Selby District
Patient/Carer Governors:	Mr Philip Chapman Mr Geoffrey Rennie Mr Brian Thompson
Appointed Governors:	Councillor Caroline Patmore, North Yorkshire CC Councillor Sandy Fraser, City of York Council Ms Rowena Jacobs, University of York
Staff Governors:	Dr Lee Bond, Medical Mrs Mandy McGale, Non-clinical Mr Martin Skelton, Clinical Professional Mrs Alison MacDonald, Nursing and Midwifery
Attendance:	Mr Patrick Crowley, Chief Executive Mrs Anna Pridmore, Foundation Trust Secretary Mr Michael Sweet, Non-executive Director Ms Libby Raper, Non-executive Director Mr Garth Pickersgill, Board Administrator Mrs Lucy Brown, Head of Communications Mrs Jenny Carter, Directorate Manager for Elderly Medicine and Adult Community Services Mrs Jan Aspinall, Deputy Director Operations
Members of the public:	4 members of the public attended the meeting.

12/16 Chairman's Introduction

The Chairman welcomed Dr David Geddes to his first meeting of the Council of Governors.

12/17 Apologies for Absence

Apologies were received from:

Mrs Anne Penny, Staff Governor
Ms Sian Wiseman, Public Governor
Dr Jenny Moreton, Patient/Carer Governor
Mrs Catherine Surtees, Public Governor
Mr Bob Towner, Public Governor

12/18 Questions or Comments from the Public

They were 2 questions received from members of the public. The texts of the written responses are shown below:

Question from Mr Andrew Kent: Does the Hospital intend to start charging for blue badge holders?

Response: The travel reference group, (attended by governors), considered charging for Blue Badge Holders to park at York Hospital.

Reasoning: Although we increased the number of blue badge bays when we opened the new car park, they are always full.
Based on observations a significant number of those using the blue badge bays do not need to park at the main entrance - but we suspect do so because it is free - disadvantaging those who genuinely need to.

Proposal: That we charge Blue Badge holders the same rate as other visitors, as Blue Badges are issued on the basis of physical need, not ability to pay. We already have an NHS re-imbursement scheme for those who need it.

Timing: We haven't yet agreed to proceed with this proposal, as few other hospitals currently charge, and we anticipate adverse publicity.

Questions from Mrs Polly Griffiths:

Question: Re report of Community and Membership Engagement Group (pg.14): Does this group's responsibility cover those who are already members with York Foundation Trust?

Response: The remit of the group covers both current members and potential future members. It also covers engagement with the wider community (whether or not they are members).

Question: Who received the briefing note from Lucy Brown mentioned in

paragraph 2?

Response: The briefing note is something that the Community and Membership Engagement Group requested. It is a set of key messages to help governors answer questions they may receive about the acquisition of Scarborough Trust. It was agreed that Lucy Brown would prepare a draft to be shared with the group, and once they had agreed its content it would be circulated to all governors.

Question: How are the 'YourTalk' presentations being advertised? As York members no longer receive a regular newsletter, and as Alan's letter comes only 3 times a year, how will members know that these presentations are happening?

Response: The frequency of our member communications has not changed for the last four years; it is the format that has altered. The presentations are advertised using a range of methods, for example, press releases, posters, the Trust's website, and Your Voice (City of York Council's residents' newsletter). Information about the presentations is also included in the members' newsletter.

Question: Do all members in general and young people in particular (members or not) know that there is a Twitter feed at the hospital website? What has been done to advertise that?

Response: The Trust has recently begun experimenting with both Twitter and Facebook to assess how they can be used to support our communications and engagement activity. Information was included about this in the members' newsletter, and a link was included in the email version of the newsletter. We have made links with other organisations on Twitter to encourage their followers to also follow us.

A discussion then took place on the myriad of communications means that the Trust employs to 'get the message out'; with an assurance from the Chairman that we are doing everything we can and will continue to look for improvements.

The Chairman thanked the members of the public for their questions and that as this was the first opportunity to respond in this manner he hoped that the process would continue to be supported as we go forward.

12/19 Declaration of Interests

The latest update of the Governors' Declarations of Interests was provided at the meeting.

Mrs Mackman requested that her connections be amended to show that she was a Member of Vale of York Clinical Commissioning Group's Patient and Public Engagement Steering Group

Action: The Chairman asked the members to forward any changes of the contents to the Foundation Trust Secretary as and when they occur.

12/20 Minutes of the Meeting held on 12th October 2011

There were no comments on the minutes of the last meeting.

Action: The minutes were **approved** as a true record of the meeting.

12/21 Matters arising from the minutes

There were no matters arising from the previous minutes.

12/22 Update from the Private Meeting held 23 May 12

The Chairman highlighted that the following issues were discussed in the private meeting:

- A process is underway to recruit two new Non-executive Directors (NEDs) to replace a retirement and a resignation.
- Sir Michael Carlisle, current Chairman of Scarborough Trust, has been asked to perform an interim non-executive role for three months until the new NEDs are in place and the immediate acquisition transition complete.
- The Board of Directors has appointed a new Vice-Chairman (Dianne Willcocks) and a new Senior Independent Director from amongst the existing NED team. (both w.e.f. 1/7/12). These roles were previously held by one individual, but following recent governance recommendations the roles are now separate. There is no additional remuneration for these roles.

12/23 Presentation from the Care Quality Commission

Unfortunately this presentation was unavoidably postponed at the last minute.

Action: The Chairman will negotiate a new date for the presentation to be given at a future meeting.

12/24 Update on Community Services

Mrs Jenny Carter presented an extremely informative presentation on Community Services providing background, structure and current challenges and opportunities.

A limited number of handouts were given at the meeting and a copy can be found attached to these minutes.

The presentation was well received and stimulated a lot of discussion which was responded to by both Jenny and Jan Aspinall. A wide range of questions were tabled covering:

- Management of Fast Response Teams in a 7-day context
- Cross Border Liaison and cooperation
- Lone Working and safety issues for visiting homes
- Role of the Generic Support Worker
- Capturing ‘real-time’ feedback and Learning from Experience

- Levels of liaison between other providers (e.g. Emergency Warden Call Service)
- How management are capturing evidence on evidence to support the fact that they are 'doing a good job'

The Chief Nurse then summarised a question from the Chairman on what the overall impact has been since the Trust took on Community Services. She reported that it is early days, however, some beds had now been removed across the Hospital, efforts were ongoing to facilitate early release for patients and Directorates we all working closer together to achieve efficiencies. Furthermore, A new Director of Transformation was now engaged on identifying efficiencies across the Trust.

Action: The Chief Nurse undertook to provide the Council with an update later in the year.

12/25 Chief Executive's Report

The Chief Executive provided an update on the current status of the Acquisition. Everything was still on track to move us towards the previously agreed date of 1st July 2012. The Trust had reviewed the Risk Assessment and feedback from Monitor, which has confirmed the planning effort to date, and the Board are resolved to proceed with the acquisition as planned. There is a proviso that the Business Transfer Agreement must not change materially in the period leading up to the acquisition. Although a Governance Rating of Amber/Red had been given by Monitor it was felt that this was a fair reflection of the risks involved and that this would be closing monitored through the process. The Trust's Internal Audit team had conducted an independent audit on the acquisition, and it was encouraging that they had come up with the same issues as Monitor. A key challenge for senior management was to continually monitor the staff stress levels, at both sites, which had risen across the Trust due to the sheer amount of work and complexity and relatively tight timescales that all staff had been exposed to due this period of change.

The Chief Executive stress that prerequisites were in existence to ensure that the Trust received support to manage the transition to the enlarged organisation over a 5 year period, however, pace was important and it would be up to senior management to assign and manager priorities and recognise risks in an agile manner in order to complete the complete process whilst continuity to deliver current levels of service.

The Chairman asked from any comments on the Performance Reports:

Dr David Geddes stated that he was impressed with the standard of the report and asked how the Council would have assurance that there would be no effect on the figures in the future?

Response: This was being managed on a 3 year rolling basis, with internal Board checks, risk balancing and delivering on the efficiency programme without affecting staffing levels across the Trust. Post acquisition the Safety and Quality

Strategies would be given the highest priority, with the Clinical Director and Chief Nurse actively leading on initiatives. Monitor would continue to test us, and the Trust was confident it had good processes in place, were capturing the right metrics and there was adequate accountability in place across the Trust. A new initiative had just been launched to look at the role of the Ward Sister, the programme being called 'It's my Ward', which would look to developing individuals across the management and leadership spectrum and delivery a much needed level of consistency and standardisation to their role.

Mr Michael Sweet and Ms Libby Raper provided the NED perspective, talking about the Home Team activities, and its ongoing remit and the 'Safety Thermometer' initiative which would bring improvements to the levels of Harm Free Care across the Hospital.

The Chief Nurse added that this was getting full support across all Directorates and a significant change in working practices had already been achieved.

12/26 Summary of Board minutes

There were no comments received on the Board minutes.

12/27 Committee and other report for Governors

Lead Governors Report:

There were no comments received on the Lead Governors Report.

Mrs Mackman provided an update on the issues surrounding external signage in and around York. She had received the following update from Mr Brian Golding, Director of Estates and Facilities:

Clifton Chapel – there are now signs on both sides of the A19 indicating where the chapel is.

Walk In Centre – The City Council have now removed the old Walk In Centre signs from the city centre.

Old District Hospital signs – To avoid unnecessary expense and agreement with the council had been reached to only alter these whenever there was a need to replace the overall sign on which they appeared. However, Mr Golding was now working with the council to understand how many 'District' signs still remain, and the order of the costs to replace them.

Governors' Visit to Scarborough Hospital

Mr Sandy Fraser gave a short summary of the successful visit to Scarborough Hospital by a group of Governors. It started with a very informative presentation followed by a walkround of the Hospital's estate. He made particular note of the high level of morale of all the staff, from senior to junior levels, that they can in contact with and the positive way in which everybody was embracing the acquisition. There was already a lot of good cooperation going on between York

and Scarborough and the assessment was that this will bode well for the future.

Governors involvement with the Trust's Annual Plan

The Foundation Trust Secretary reported that a group of the Governors had reviewed the Annual Plan, which was an activity required under governance procedures. Feedback had already been incorporated into the Pland and this would now be presented to the May Board of Directors meeting. A summary of the plan will be made available to Governors and the public in the coming weeks.

PFG Report:

The PFG had a full and varied meeting on 22nd May and there are two significant items to report on:

Mobile Equipment Policy: PFG members and other Governors were invited to comment on the draft Mobile Equipment Policy in February. Margaret Millburn has subsequently thanked Governors for their interest and suggestions and has further updated the policy.

The policy is expected to be submitted to the Executive Board for approval in June.

Patient Experience Steering Group: The PFG welcomes the formation of the PESG and the opportunity for Governors to be represented at these meetings. The formation of the PESG will enable the PFG to refer issues of particular importance to the Chief Nurse and the Patient Experience team. It remains the case that all Governors are encouraged to refer Patient Experience concerns or suggestions raised by their constituents to the PFG. PFG representatives will refer appropriate items to the PESG for further consideration or action within the Trust, and the PFG will maintain a register of such issues that will be reviewed and updated at each meeting.

The PFG would like to thank the Chairman, Lead Governor and all those involved for their support and for making this happen.

CMEG Report

Dr Jan Dalton reported that the final meeting of this year's cycle of CMEG meetings was held prior to the Council of Governors meeting on 23rd May 2012. The Group suggests that more discussion will be needed on the future composition and direction of group, including whether to move towards being a Trust-led/governor-steered group (similar to the Patient Focus Group), for the on-going period post-acquisition. It was suggested that all governors (including new ones from the East Coast constituencies) be given a fresh opportunity to consider their role in relation to community engagement. This is particularly important given the issues relating to communication raised by members of the public today.

Transport and Travel Committee

Mr David Robson provided a verbal update in relation to the questions from York LINKS with reference to Blue Badges and that the Transport and Travel Committee were recommending the introduction of charges for this, Phil Chapman adding that it was believed this would not cause financial hardship to some low income users, as they would be able to recoup the amount they had paid.

Update of the Hospital Walk In Centre

Mrs Mandy McGale provided a summary on the opening of the new Urgent Care Centre, providing a dedicated space for patients to be seen with 'minor' injuries and illness, located next to ED. This development has included the transfer of WIC form Monkgate to the UCC. Although the Centre is in its early days, the benefits to date have been:

- An improved environment to see patients providing more clinical space availability to see patients and improving privacy and dignity for patients. Staff also have access to couches to provide appropriate examinations and the additional space has ensured that clinical staff are not wasting time trying to identify an available space in which to see patients.

- Relocating the walk in centre reduces the duplication of patients attending the incorrect service initially and being redirected or being seen in the walk in centre and subsequently referred to the ED. Once staff are trained to be dual skilled (minor illness and injury) this will become even more efficient as all staff can see patients as they arrive.

- The majority of patients are seen by a clinical decision maker within one hour of arrival - as the staff within the UCC are just seeing 'minors' they do not face extended waits as higher priority patients are continually seen in front of them.

- As only one ED medic is assigned to the UCC typically the remaining staff can focus on seeing and treating the 'majors' patients which should result in decisions being made for patients within cubicles in a more timely fashion.

- It offers an opportunity to forge closer working links with the OOH GP service due to the closer clinical workspaces, more similar workloads and the transfer of staff with OOH GP experience.

Mrs McGale undertook to provide a further update later in the year.

12/28 Council of Governors Effectiveness Review - Workplan

The Chairman provided a summary of the activities to date and reported that a Work Plan had now been drafted and that we would be looking to measure that throughout the year. Feedback from Governors had already been fed back into the Plan.

There were no additional questions or comments from the Council.

12/29 Any other business

The Chairman was asked if it would be possible to have a presentation on the new Catering Contract.

The Chairman informed the Committee that the contract had been awarded to the In-House Team and Mr Sweet, the Non-Executive on the project, gave a short summary of the process that had been followed

Mr Robson informed the Committee that the Transport and Travel Committee had agreed to increase the hourly rate for parting in the hospitals main car park to £1.90 per hour, to mirror the charges introduced by the City of York Council on its' car park in Clarence Street. He also pointed out that concessions in the car park had been further discussed, and currently these resulted in a loss of revenuer to the hospital of £95,000 in the last year.

The Chairman closed the meeting at 5.55pm

12/30 Time and Dates of next meetings

3rd October 2012 – Informal meeting of the Council of Governors for new Governors, Social Club, White Cross Road.

17th October 2012 – Council of Governors (Private and Public Meetings), Social Club, White Cross Road.

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York Teaching Hospital NHS
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Chairman's Objectives 2012-2013

Objective	Measures
Governance	
Oversee the new organisation of the Board, including the launch and adaptation of the new non-executive-led Board Committees (Finance & Ops; Quality & Safety; Workforce Strategy).	Interviews with the Chairs of the Board committees and the review of the functioning of the Committees to Board
Lead the process of preparing for the introduction of Board meetings in public	Feedback from governors and the public as part of the Chairman's appraisal
Oversee the induction and integration of the two new NEDs to the Board	The NED induction programme The two new NEDs' appraisals
Oversee the induction of new Governors and the development of the new Council of Governors alongside the evolution of its role in line with the Health & Social Care Act 2012. Address the training and development of Governors to take on their new responsibilities Support the Governors to engage at locality level, in recognition of the distributed nature of the enlarged Trust	Review of the Council of Governors Comments on Chairman's appraisal received from Governors Governors' comments at the end of their induction programme

Strategy	
Continue to oversee the development of the Foundation Trust's strategic options and engage with the Board and Clinical Strategic Leads in building consensus. Work to achieve a shared vision on how community services fit with the strategy of the enlarged trust in the medium term. Work closely with the Chief Executive and other stakeholders in the local health economy to manage and optimise the consequences of the likely structural and service change proposals emanating from the North Yorkshire Review and its subsequent reports.	The Annual Plan Minutes and other records of Board discussions Chairman's appraisal comments As part of the appraisal process, governors and directors should be asked to comment on the Chairman's role in getting the message across to a wide range of stakeholders about how the Trust fits into the funding flows and how it is playing a part in resolving the structural problems of the finances of healthcare in the region.
External relationships	
Continue to strengthen professional networks with senior colleagues in the local communities (including that with the University of York), across the NHS and including the Foundation Trust Network, with the aim of enhancing the position of our Trust in whatever situations we confront in the future.	Chairman's appraisal comments from external parties. Information and presentations about external bodies to the Council of Governors and to the Board
Personal	
Continue to work to achieve a balance of clear leadership with an appropriate degree of direct involvement in the activities of the Trust.	Chairman's appraisal comments

YORK TEACHING HOSPITAL NHS FOUNDATION TRUST AUDIT COMMITTEE ANNUAL REPORT 2011 / 12

1. INTRODUCTION

In accordance with best practice and the NHS Audit Committee Handbook, this report has been prepared to provide the Board of Directors with a summary of the work of the Audit Committee for the financial period April 2011 – March 2012, and in particular how it has discharged its responsibilities as set out in its Terms of Reference.

This has been a challenging year for the Trust while it has prepared for the acquisition of Scarborough and North East Yorkshire NHS Trust (SNEY). The Trust has spent the last year working closely with SNEY to ensure that the acquisition and subsequent integration is implemented successfully.

Specific additional governance arrangements were adopted during the acquisition process to ensure that the corporate governance of the Trust was not compromised. The Chairman of the Audit Committee was appointed as the Chairman of the Acquisition Assurance Board, the Committee responsible for overseeing the legal and financial aspects of the acquisition. This appointment ensured that the Audit Committee was able to assured about the systems and processes being adopted during the acquisition process.

2. MEETINGS & ATTENDANCE

The Audit Committee has a membership of four Non-Executive Directors and during the 2011/12 financial year this comprised of:

- Mr Phillip Ashton (PA) Chairman
- Mr John Hutton (JH)
- Mrs Linda Palazzo (LP)
- Mr Michael Sweet (MS)

Table 1: Audit Committee Attendance

	Meeting Dates					
	02/08/11	**19/09/11**	**12/12/11**	**19/03/12**	**08/05/12**	**28/05/12**
PA	✓	✓	✓	✓	✓	✓
JH	✓	✓	✓	✓	✓	✓
LP	A*	✓	✓	✓	✓	✓
MS	A*	✓	✓	✓	✓	✓

*A = Apologies

The Audit Committee met formally on six occasions during 2011/12 and all meetings were quorate. Members of the Committee also attended relevant Audit Committee training events during the course of the year.

The Committee is supported at all of its meetings by:

- Director of Finance
- Head of Corporate Finance
- Internal Audit (Head of Internal Audit and Internal Audit Manager)
- External Audit (Partner and Senior Manager)
- Foundation Trust Secretary

Other representatives (e.g. Local Counter Fraud Specialist and Assistant Director of Strategy and Planning) attended the Audit Committee as and when required.

The Committee received secretarial and administrative support from the Foundation Trust Secretary. There was a documented Audit Committee timetable which scheduled the key tasks to be undertaken by the Committee over the course of a year and this received an annual review. Detailed minutes were taken of all Audit Committee meetings and were reported to the Board of Directors.

Separate, private sessions were held with Internal Audit and External Audit prior to one Audit Committee meeting (end of year) as required.

3. DUTIES OF THE AUDIT COMMITTEE

Following a review of the Audit Committee's Terms of Reference in September 2011, the key duties of the Audit Committee can be summarised as follows:

Governance, Risk Management & Internal Control
• Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives, primarily through the assurances provided by internal and external audit and other assurance functions.
Financial Management & Reporting
• Review the Foundation Trust's Financial Statements and Annual Report, including the Annual Governance Statement, before submission to the Board of Directors. • Ensure that systems for financial reporting are subject to review to ensure completeness and accuracy of information and compliance with relevant legislation and requirements. • Review the Trust's Treasury Management Policy, Standing Financial Instructions and systems in place to ensure robust financial management.

Internal Audit & Counter-Fraud Service
• Ensure an effective internal audit and counter-fraud service that meets mandatory standards and provides appropriate, independent assurance to management and the Audit Committee. • Review the conclusion and key findings and recommendations from all Internal Audit reports and review of regular reports from the Local Counter Fraud Specialist. • Monitor the implementation of Internal Audit and Counter Fraud recommendations.
External Audit
• Ensure an effective external audit service. • Review the work and findings of external audit and monitor the implementation of any action plans arising.
Clinical & Other Assurance Functions
• Review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications for the governance of the organisation. • Review the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own remit, specifically the Risk and Assurance Committee, the Clinical Quality and Safety Committee.

4. WORK PERFORMED

The Committee currently organises its work under five headings *Work Groups*, *Internal Audit, External Audit*, *Governance Issues* and *Finance Issues*.

4.1 Work Groups

The Audit Committee formed two work groups in 2010 which have continued to meet during 2011/12. These are the Data Quality and Performance Work Group and the Compliance Work Group. Each is chaired by a member of the Audit Committee. In addition, the Audit Committee Chair attended the Clinical Quality and Safety Committee and chaired the Acquisition Assurance Board during the preparation for integration with Scarborough and North East Yorkshire NHS Trust.

Updates were provided verbally at each Committee meeting on group / board objectives, activity and achievements.

4.2 Internal Audit & Counter Fraud

Internal Audit and Counter Fraud Services are provided by North Yorkshire NHS Audit Services (NYAS). The Chair of the Audit Committee and the Director of Finance are members of the Board which oversees NYAS at a

strategic level, along with other Directors of other Trusts that use the services of NYAS. The Board met on three occasions during 2011/12.

An Internal Audit Charter formally defines the purpose, authority and responsibility of internal audit activity. This was originally approved in 2010 with a revised document reviewed and approved by the Alliance Board in July 2012.

The Audit Committee gave formal approval of the 2011/12 Internal Audit Operational Plan in March 2011.

The conclusions (including the assurance level and the corporate importance and corporate risk ratings) as well as all findings and recommendations of finalised Internal Audit reports are shared with the Audit Committee. The Committee can, and does, challenge Internal Audit on assurances provided, and requests additional information, clarification or follow-up work if considered necessary. All Internal Audit reports are discussed individually with the Audit Committee.

A system whereby all internal audit recommendations are followed-up on a quarterly basis has been in place since April 2007. Progress towards the implementation of agreed recommendations is reported (including full details of all outstanding recommendations) to the Director Team and the Audit Committee on a quarterly basis. The Chief Executive is actively involved in reviewing progress towards implementing recommendations made in limited assurance reports. The result of this intervention, coupled with considerable work with the Corporate Director Team, has been a significant reduction in the number of outstanding audit recommendations.

The Counter Fraud Plan was reviewed and approved by the Audit Committee and the Local Counter-Fraud Specialist (LCFS) presented bi-annual reports detailing progress towards achievement of the plan, as well as summaries of investigations undertaken.

During 2011/12 there have been ongoing discussions regarding the definition of the assurance levels associated with internal audit reports. Changes have now been made to assurance level definitions in line with changes at a national level within the NHS. These take effect from 1st April 2012.

4.3 External Audit

External Audit services were provided by Grant Thornton for 2011/12. During the 2011/12 financial year, the Audit Committee reviewed External Audit's Interim Report, Annual Governance Report and Management Letter in relation to the 2011/12 financial statements. No non-core external audit work was undertaken during the 2011/12 financial year.

External Audit regularly updates the Committee on progress against their agreed plan, on any issues arising from their work and on any issues or publications of general interest to Audit Committee members.

The Audit Committee reviewed and approved the External Audit Plan in relation to the 2011/12 financial statements and the related audit fee in September 2011.

4.4 Governance Issues

During 2011/12 the Audit Committee reviewed and approved the following documents prior to submission to the Board of Directors:

- Assurance Framework and Corporate Risk Register in August, September, December 2011 and March 2012;
- Standing Orders, Standing Financial Instructions and Scheme of Delegation in September 2011;
- The Annual Security Report in March 2012;
- The Code of Governance.

Additionally the Staff Registers of Interests and Gifts and Hospitality for the year ended 31 March were reported to the Audit Committee in May 2012.

The Annual Governance Statement and the Head of Internal Audit Opinion were scrutinised by the Audit Committee prior to submission to the Board.

In relation to the governance of the Audit Committee itself, the Committee undertook the following tasks during 2011/12:

- Review and approval of Audit Committee Terms of Reference in December 2011; these were approved by the Board of Directors in January 2012.
- Ongoing review and revision of the Audit Committee's timetable.

4.5 Finance Issues

The Committee oversees and monitors the production of the Trust's financial statements. During the 2011/12 financial year, this included:

- Review of the risks identified in external and internal due diligence reports related to the preparation for acquisition of SNEY;
- Review of the financial arrangements for the enlarged organisation in March 2012;
- Review of issues around the end-of-year accounts on 8th May 2012;
- A formal Committee meeting on 28th May 2012 to approve the final accounts, Annual Governance and Annual Report for 2011/12 (including the Quality Account) prior to submission to the Board of Directors and Monitor.

The Audit Committee also reviewed and approved:

- the Policy on Overpayments and the Trust's Treasury Management Policy in March 2012,
- the Trust's Losses & Special Payments register in May 2011,

4.6 Clinical & Other Assurance Functions

The Audit Committee has received verbal updates on the activities of the Clinical Quality and Safety Committee and Compliance Unit and liaison between Internal Audit and Clinical Audit continues to develop.

The Internal Audit programme continues to incorporate clinically focussed system reviews and during 2011/12 included Out of Hours Clinical Management, Healthcare for People with Learning Difficulties and Medicines Management.

Assurance around the acquisition process was provided through verbal feedback on the activities of the Acquisition Assurance Board and Internal Audit work.

6. CONCLUSION

The Audit Committee considers that it has conducted itself in accordance with its Terms of Reference and work plan during 2011/12 and considers that this annual report is consistent with the draft Annual Governance Statement and the Head of Internal Audit Opinion.

This Audit Committee Annual Report was approved by the Audit Committee 17 September 2012.

E

York Teaching Hospital NHS Foundation Trust

External Assurance on the 2011/12 Quality Report

25 June 2012

Contents

Use of this report

This report has been prepared solely for use by the Trust to discharge our responsibilities under the Monitor Annual Reporting Manual, and should not be used for any other purpose. We assume no responsibility to any other person. This report should be read in conjunction with the Statement of Directors' Responsibilities in Respect of the Quality Report.

1 Executive summary

The scope of our work is fully compliant with the *Detailed Guidance for External Assurance on Quality Reports* published by Monitor on 15 March 2012.

Scope of our work

1.1 We are required to review the arrangements in place at York Teaching Hospital NHS Foundation Trust (the Trust) to prepare and publish the Quality Report in accordance with Monitor's published set of criteria, and provide a limited assurance engagement audit opinion on the content of 2011/12 Quality Report. A summary of Monitor's requirements for 2011/12 is provided at Appendix C.

Conclusions

1.2 The Trust continues to perform well in developing and producing its Quality Report. The Quality Report has been prepared in accordance with Monitor's guidance and is consistent with our knowledge of the Trust. Detailed findings supporting our conclusions on the consistency of the content of the Quality Report are set out in Section Two of this report.

1.3 We anticipate issuing a limited assurance engagement audit opinion by 25 June 2012, in accordance with Monitor's deadline. Our proposed audit opinion is unmodified and is included at Appendix B.

1.4 Our review of the two mandated performance indicators, MRSA and 62 day cancer target, concluded that overall, adequate systems and controls are in place to calculate these indicators.

1.5 Our review of the locally selected indicator, completion of the World Health Organisation (WHO) Surgical Safety Checklist identified that the indicator had been calculated correctly based on the WHO checklists completed and reviewed. There has been an improvement in the level of completion from some 52% of WHO checklists completed in December 2011, to some 76% in March 2012. However, Internal Audit identified that robust arrangements were not in place to ensure completion of the checklists in all cases, to collect and report their use, or procedures to ensure the completion and integrity of the data. Internal Audit have already made a number of recommendations to improve the Trust's existing arrangements and we understand action is already being taken to address these weaknesses.

1.6 Detailed findings supporting our conclusions on the systems in place to support the preparation of the three performance indicators are set out in Section Three of this report.

Next steps

1.7 Matters arising from our review have been discussed with the Trust's Assistant Director of Healthcare Governance and her team. We have made a number of recommendations, which are set out in the Action Plan at Appendix A. The key matters for the Trust to address are:

- strengthening existing systems and procedures to ensure the WHO Surgical Safety Checklist is completed in all instances where a patient receives a general or local anaesthetic. Formalising arrangements for reporting together with independent review will help ensure a higher level of compliance
- providing clear definitions used for RAG (Red, Amber, Green) ratings showing the Trust's performance to assist the reader of the Quality Report to better assess the Trust's performance

- further developing the Quality Report and the reader's understanding of the Trust's performance through clearer explanations of whether outcomes against priorities were achieved or not achieved, and increased use of:
  - explanations to describe and support the graphs in the Report
  - comparative data to highlight trends on current year priorities
  - national benchmarked performance information (where available) to provide context to the Trust's performance
- independently reviewing the draft Quality Report against Monitor's disclosure requirements.

1.8 This report, as requested by the Monitor guidance, should be taken to a meeting of the Trust's Audit Committee and Council of Governors. The Trust is required to submit this report to Monitor by 29 June 2012.

Acknowledgements

1.9 We would like to record our appreciation for the assistance and co-operation provided to us by the Trust's staff during our audit.

Grant Thornton UK LLP
25 June 2012

2 Consistency of the content of the Quality Report

Introduction

2.1 This section sets out the findings from our review of the content of the Trust's 2011/12 Quality Report. Our work has been delivered in accordance with Monitor's 'Detailed Guidance for External Assurance on Quality Reports 2011/12', issued on 15 March 2012, the summary requirements of which are detailed at Appendix C.

2.2 Quality Reports should be reflective of the whole organisation and tell a rounded story of where the Trust is now, how it has improved and how it proposes to improve further.

Scope of review

2.3 We have reviewed the Quality Report against Monitor's published guidance and considered whether the Quality Report is consistent with our knowledge and understanding of the Trust and its activities. Our assurance assessment has been informed by:

- reviewing the content of the Quality Report against the requirements of Annex 2 of Monitor's Annual Reporting Manual (ARM)
- interviews and discussions with Trust staff, including the Trust's Assistant Director of Healthcare Governance and members of the Compliance Unit
- review of policies and key documents that relate to the production of the Quality Report
- the results of any internal or external reviews, including the Care Quality Commission and internal audit reports
- our cumulative knowledge and experience of the Trust and its performance arrangements.

Overall findings

2.4 We can confirm the Trust has met the minimum requirements set out in Monitor's published guidance. The table below and overleaf summarises the content of the various parts of the Trust's Quality Report.

Section	Content and comments	In line with Monitor requirements?	Consistent with our knowledge?
Part 1	• includes the required statement on quality of the NHS services the Trust provided or sub-contracted during 2011/12 • the statement has been acknowledged by the Chief Executive.	✓	✓
Part 2	• summarises the Trust's performance on its priorities for improvement in 2011/12 • identifies seven priorities for improvement for 2012-13 (which is in	✓	✓

	excess of the minimum required number of three priorities).		
Part 3	This section includes the statement of assurance from the Board, including the following required information: • the financial value of successfully achieving the targets set by the Commissioning for Quality and Innovation payment framework (CQUIN) • the Trust's registration with the Care Quality Commission with no conditions attached • details on the Trust's quality of data, including the information quality and records management assessment as part of the Information Governance Toolkit.	✓	✓
Part 4	• includes the requirement to disclose the Trust's information in relation to clinical audit activity.	✓	✓
Part 5	• includes current year targeted performance and future year targets along with the current year's outturn performance • This helps to provide a clearer picture to the reader.	✓	✓
Part 6	• notes the statements from the Trust's key external stakeholders, including the Trust's principal commissioner, NHS North Yorkshire and York, and the Local Involvement Network (LINks York) • in line with the Monitor requirement, the Trust shared copies of the draft Quality Report with external stakeholders for comment.	✓	✓

Identified improvement opportunities

2.5 As noted previously, the Trust's Quality Report is compliant with the requirements of the ARM and Monitor's Detailed Guidance. We did, however, identify and discuss a small number of areas where the Trust's arrangements for producing the Quality Report could be further strengthened. These areas and associated recommendations are set out overleaf.

Completeness of the Quality Report

2.6 Our initial review of the Trust's draft Quality Report for 2011/12 which was presented to the Board of Directors on 25 April 2012 identified a number of minor omissions with Annex 2 of Monitor's Annual Reporting Manual including:

- the statement on quality from the Chief Executive did not set out that to the best of his knowledge the information in the Quality Report was accurate
- reference on the data reviewed did not include explicit reference to the three dimensions of quality: patient safety, clinical effectiveness and patient experience
- the monetary total for the amount of income in 2011/12 which was conditional upon achieving quality improvement and innovation goals was not disclosed.

2.7 The Trust has corrected these omissions in the final version of its Quality Report. However, we recommend that once the draft Quality Report is available, it is independently reviewed for completeness against Annex 2 of Monitor's Annual Reporting Manual.

Recommendation 1: Completeness of the Quality Report
To ensure the Quality Report meets all the disclosure requirements in Monitor's Annual Reporting Manual, the Quality Report should be independently reviewed for completeness against Monitor requirements before the draft is presented to the Board of Directors.

Helping the reader's understanding of the Trust's performance

2.8 Our review of the draft Quality Report identified a number of areas which, if developed, would further enhance and better inform the reader's understanding of the Quality Report, including:

- providing clear definitions for RAG ratings used to explain the Trust's performance
- adding helpful narrative explanations to describe and support the graphs in the Report
- providing comparative performance information when commenting on the performance of current year priorities to enable readers to better understand progress
- including national benchmark performance information (where available) to provide context to the Trust's performance with its peer NHS bodies

Recommendation 2: Improving the reader's understanding of the Trust's performance
In order to strengthen the reader's understanding of the Quality Report, we recommend the Trust: • provides clear definitions for RAG ratings used to explain the Trust's performance • adds helpful narrative explanations to describe and support the graphs in the Report • provides comparative performance information when commenting on the performance of current year priorities to enable readers to better understand progress • includes national benchmark performance information (where available) to provide context to the Trust's performance with its peer NHS bodies.

The role of the Compliance Unit in the production of the Quality Report

2.9 As part of our review to ensure the content of the Quality Report was consistent with our knowledge of the Trust, we held a number of meetings with the Trust's Compliance Unit. Given the role of the Compliance Unit, we requested the Unit to corroborate the content and statements included in the Quality Report by collating supporting evidence available within the Trust.

2.10 The collation of supporting evidence by the Compliance Unit was very comprehensive and a helpful piece of work, with the Unit cross referencing all statements and performance outturns in the Quality Report back to sources of internal and external evidence.

2.11 The Unit's review highlighted a small number of anomalies within the original draft Quality Report, which were amended prior to the revised version of the Report being submitted to Monitor. Our review identified two areas of the Trust's Quality Report which had not been considered by the Compliance Unit:

- information and data relating to the Regulatory Requirements and Assurance from the Board Section (Part 3)
- validation of data and information in the Clinical Audit Section (Part 4).

2.12 We discussed this omission with members of the Compliance Unit who had not been aware of the need to consider these areas but agreed to extend the scope of their work to allow appropriate validation. This work was completed promptly.

Recommendation 3: The role of the Compliance Unit in the Quality Report
The Compliance Unit should ensure the scope of their work extends to all data and information included in the Trust's Quality Report.

Overall conclusion

2.13 Overall, we are satisfied the Trust's 2011/12 Quality Report complies with Annex 2 of the ARM and the Monitor 'Detailed Guidance'. We consider the content of the Quality Report is not inconsistent with our knowledge of the Trust. We are therefore proposing to issue a limited assurance engagement audit opinion on the content of the Quality Report by 25 June 2012. A proposed unmodified audit opinion, in line with Monitor's suggested pro-forma opinion, is included at Appendix B.

3 Detailed findings on specific performance indicators

Introduction

3.1 In addition to our work on the content of the Quality Report we have reviewed the systems, processes and core data behind the three performance indicators. Our work has been informed by walk-through tests of the systems used to produce the data for the three performance indicators set out below and the results of testing samples of this data.

Key to assessment

🔴	Material weaknesses
🟡	Deficiencies identified
🟢	Adequate arrangements with minor deficiencies

Summary findings

Indicator	Threshold target	2011-12 Outturn	Assessment of Systems and Processes	Assessment of Core Data
MRSA cases	no more than 6 (Monitor) No more than 2 (DoH)	6	🟢	🟢
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers	85%	87.3%	🟢	🟢
WHO Surgical Safety Checklist completion	100%	73.3%	🟡	🟢

Limitations on findings

3.2 We followed Monitor's auditor guidance for the audit of Quality Reports. Substantive testing of data was limited to no more than 30 cases for each indicator, which represents a small percentage of the actual caseload of the indicators.

Scope of work

3.3 As agreed with Internal Audit last year, Internal Audit carried out all the walk-throughs of each system used to collect, manage and report on performance, including documenting the systems, and undertook all substantive testing of data up to a maximum of 30 cases for each indicator. We then reviewed Internal Audit's work, and re-performed a sample of substantive tests for each indicator to confirm the conclusions reached and the appropriateness of each performance indicator reported.

3.4 We are pleased to confirm that the quality of Internal Audit work was of a satisfactory standard and our re-performance of testing did not identify any discrepancies.

Detailed findings

MRSA cases

Background to the indicator

3.5 This indicator details the number of cases of MRSA reported at the Trust during 2011/12. The Trust is assessed using data from mandatory surveillance of MRSA, comparing numbers of MRSA reports against the Trust's agreed 'ceiling' for MRSA reports.

3.6 Tackling healthcare-associated infections, such as MRSA, continues to be a key patient safety issue and is a priority for the NHS.

3.7 The MRSA 'ceiling' target in 2011/12 for the Trust, as agreed with Monitor, was six cases.

Summary of work performed

3.8 The Telepath system was used to identify all patients who had been subjected to blood cultures between 1 April 2011 and 31 March 2012 and those who were MRSA Bacteraemia positive. In total, eight cases were identified as MRSA positive and were selected for review. The details of the date, time and location of the infection were reviewed and agreed to source documentation, where available.

3.9 As identified by Internal Audit, our review work confirmed that two of the eight cases were community acquired infections. These two cases were appropriately removed leaving a total of six cases being reported for 2011/12 in the Quality Report.

3.10 We note that Internal Audit work also confirmed that the number of cases reported to Monitor at the end of quarter three was accurate.

3.11 Overall, our findings suggest that the Trust has appropriate systems and processes in place to calculate the MRSA indicator and no material or significant concerns were identified.

Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers

Background to the indicator

3.14 This indicator measures the timeliness of the Trust's response on urgent referrals from GPs for suspected cancer diagnosis. The NHS Cancer Plan set goal is that no patient should wait longer than two months (62 days) from a GP urgent referral for suspected cancer to the beginning of treatment, with the exception of good clinical reasons.

Summary of work performed

3.12 A sample of 30 patients who had been 'urgently' referred by their GP with a suspected cancer was randomly selected from the database. With the exception of one patient whose case notes were unavailable as they were an inpatient at the time of testing, each case was agreed to referral correspondence and the date of the urgent referral was noted to check that the 'clock' had started on the correct date. Details of the reason for referral were identified and a note of the date of treatment and the resulting letter generated by the Trust's consultants was observed in order to ensure the 'clock' was stopped at the appropriate time.

3.13 Our review and re-performance of Internal Audit work did not identify any anomalies.

3.14 Overall, our findings suggest that the Trust has appropriate systems and processes in place to calculate this indicator and no material or significant concerns were identified.

World Health Organisation (WHO) Surgical Safety Checklist

Background to the indicator

3.15 The Trust set itself a target to ensure the WHO Surgical Safety Checklist is completed in all instances where a patient receives a general or local anaesthetic, with 100% compliance by 31 March 2012. The goal of the checklist is to reduce complications and avoidable deaths.

3.16 The Trust has been taking action during 2011/12 to implement the 'Safety Briefing' prior to every operating list and as part of this process has been promoting the use of the WHO Checklist across all the Trust's departments. There has been a general increase in the use of the WHO checklist from some 52% in December 2011, to over 70% by March 2012. The Trust is committed to achieving 100% compliance.

Summary of work performed

3.17 A sample of 30 patients who had surgery at the Trust were identified from the day unit, eye theatre, maternity theatre and main theatres. For each patient, case notes were reviewed to identify if a WHO Surgical Safety Checklist had been completed. Of the sample of 30 patients, a WHO checklist had been completed for 22 patients, a compliance rate of 73%, the checklist had not been completed for the remaining 8 patients reviewed.

3.18 The Trust has reported its performance in the Quality Report as 'Amber', more than 50% progress has been made towards meeting the target.

3.19 Internal Audit work acknowledged the increase in the WHO Checklist completion rate from some 52% in December 2011, to over 70% by March 2012. However, Internal Audit identified that a number of improvements were needed to the systems and processes around the Trust's current arrangements:

- introducing a formal mechanism to measure compliance with the WHO Surgical Safety Checklist target
- ensuring all appropriate staff are aware of the need to complete the WHO Surgical Safety Checklist
- introducing a regular audit process around the reporting associated with the WHO Surgical Safety Checklist
- formally reporting compliance as part of the Trust's corporate dashboard.

3.20 We understand action is already being taken by the Trust to address these weaknesses.

3.21 Overall, our findings suggest that whilst the Trust's reported performance is appropriate, there is a need to develop and improve the systems and processes in place to ensure the WHO Surgical Safety Checklist is completed in all cases where a patient receives a general or local anaesthetic. Formal reporting and review arrangements will help ensure a higher level of compliance.

Recommendation 4: WHO Checklist completion
There is a need to complete work being undertaken to develop and strengthen the existing systems and procedures in place to ensure the WHO Surgical Safety Checklist is completed in all instances where a patient receives a general or local anaesthetic. Formalising arrangements for reporting together with independent review will help ensure a higher level of compliance.

A Action plan

Rec. No.	Recommendation	Priority	Trust response	Implementation date and responsibility
Completeness of the Quality Report				
1.	To ensure the Quality Report meets all the disclosure requirements in Monitor's Annual Reporting Manual, the Quality Report should be independently reviewed for completeness against Monitor requirements before the draft is presented to the Board of Directors.	Medium	Agreed.	For 2012/13. Foundation Trust Secretary
Improving the reader's understanding of the Trust's performance				
2.	In order to strengthen the reader's understanding of the Quality Report, we recommend the Trust: • provides clear definitions for RAG ratings used to explain the Trust's performance • adds helpful narrative explanations to describe and support the graphs in the Report • provides comparative performance information when commenting on the performance of current year priorities to enable readers to better understand progress	Medium	Agreed: • this has now been updated in the final Quality Report • further explanations have now been added but will be kept under review for 2012/13 • this has been included where considered relevant but will be reviewed for 2012/13	For 2012/13. Foundation Trust Secretary & Assistant Director of Healthcare Governance

Rec. No.	Recommendation	Priority	Trust response	Implementation date and responsibility
	• includes national benchmark performance information (where available) to provide context to the Trust's performance with its peer NHS bodies.		• to be considered for 2012/13.	
The role of the Compliance Unit in the Quality Report				
3.	The Compliance Unit should ensure the scope of their work extends to all data and information included in the Trust's Quality Report.	Medium	Agreed.	For 2012/13. Foundation Trust Secretary & Assistant Director of Healthcare Governance
WHO Checklist completion				
4.	There is a need to complete work being undertaken to develop and strengthen the existing systems and procedures in place to ensure the WHO Surgical Safety Checklist is completed in all instances where a patient receives a general or local anaesthetic. Formalising arrangements for reporting together with independent review will help ensure a higher level of compliance.	High	Agreed.	By March 2013. Assistant Chief Nurse.

B Proposed limited assurance audit opinion

2011/12 LIMITED ASSURANCE REPORT ON THE CONTENT OF THE QUALITY REPORT AND MANDATED PERFORMANCE INDICATORS

Independent Auditor's Report to the Board of Governors of York Teaching Hospital NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Board of Governors of York Teaching Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of York Teaching Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2012 (the "Quality Report") and certain performance indicators contained therein.

Scope and subject matter
The indicators for the year ended 31 March 2012 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Number of Meticillin Resistant Staphylococcus aureus (MRSA) bacteraemia
- Percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral.

We refer to these national priority indicators collectively as the "indicators".

Respective responsibilities of the Directors and auditors
The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS* Foundation Trust Annual Reporting Manual issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in the Detailed Guidance for External Assurance on Quality Reports 2011/12 published by Monitor; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

We read the Quality Report and considered whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual, and considered the implications for our report if we became aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes for the period April 2011 to June 2012;
- Papers relating to Quality reported to the Board over the period April 2011 to June 2012;
- Feedback from the Commissioners dated 22 May 2012;
- Feedback from LINks dated 11 and 15 May 2012;
- The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 26 April 2012;
- The national patient survey dated February 2012;
- The national staff survey dated March 2012;
- Care Quality Commission quality and risk profiles dated 2 April 2012;
- The Head of Internal Audit's annual opinion over the trust's control environment for 2011/12.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the "documents"). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Board of Governors of York Teaching Hospital NHS Foundation Trust as a body, to assist the Board of Governors in reporting York Teaching Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2012, to enable the Board of Governors to demonstrate that is has discharged its governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors as a body and York Teaching Hospital NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed
We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- Making enquiries of management;
- Testing key management controls;
- Analytical procedures;
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- Comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- Reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations
Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by York Teaching Hospital NHS Foundation Trust.

Conclusion
Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2012:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in the detailed guidance for External Assurance on Quality Reports 2011/12; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

……..
Grant Thornton UK LLP

No 1 Whitehall Riverside
Leeds
LS1 4BN

June 2012

C Scope of external assurance review

Overview of requirements

2011/12 NHS Foundation Trust requirements
The external assurance engagement that has been undertaken on the 2011/12 Quality Report required the Trust to:

- include a brief description of the key controls in place to prepare and publish a Quality Report in the Annual Governance Statement in the 2011/12 published accounts
- sign a Statement of Directors' Responsibilities in respect of the content of the 2011/12 Quality Report and mandated indicators for inclusion in the annual report
- sign a Statement of Directors' Responsibilities in respect of the 2011/12 performance indicators included in the Quality Report to provide to their auditors (this is not required to be published in the 2011/12 Quality Report)
- include the signed limited assurance report provided by their auditors on the content of the 2011/12 Quality Report and the mandated indicators in the annual report
- submit a copy of their auditors' report on the outcome of the external work performed on the content of the Quality Report and the mandated and local indicators to Monitor and to the Trust's Board of Governors.

2011/12 NHS Foundation Trust auditor requirements
The external assurance review that was undertaken on the 2011/12 Quality Report required us as the Trust's auditors to:

- review the content of the 2011/12 Quality Report against the content requirements included in the NHS Foundation Trust Annual Reporting Manual 2011/12, issued on 20 February 2012
- review the content of the 2011/12 Quality Report for consistency against the other information sources
- provide a signed limited assurance report in the Quality Report on whether anything has come to the attention of the auditor that leads them to believe that the content of the Quality Report has not been prepared in line with the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2011/12 and is not consistent with the other information sources
- undertake substantive sample testing of two mandated performance indicators and one locally selected indicator (to include, but not necessarily be limited to, an evaluation of the key processes and controls for managing and reporting the indicators and sample testing of the data used to calculate the indicator back to supporting documentation)
- provide a report to the Trust board of our findings and recommendations for improvements concerning the content of the Quality Report , the mandated indicators and the local indicator
- provide a signed limited assurance report in the Quality Report on whether there is evidence to suggest that mandated indicators have not been reasonably stated in all material respects.

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Summary of Board of Directors minutes

This report provides the Council of Governors with a summary of the discussions held at the Board of Directors.

Minutes from the meeting held on 25th July 2012

Patient Experience

The Chairman welcomed Mrs Brown, Lead Nurse for Patient Experience to the Board of Directors.

Mrs Brown provided an overview of the work she has been involved with since her appointment. She described the establishment of the Patient Experience Strategic Group and the work it had been involved with since its establishment. Mrs Brown described the strategic direction of patient experience and the work she had been leading with the wards.

She explained the staff training and development work that was being undertaken and explained that as a result of the preparation work carried out with staff, it had been concluded that staff attitude was a key factor affecting patient experience. Mrs Brown described the work that was being undertaken with staff about addressing and correcting inappropriate attitudes. She explained that as a result of the discussions with staff, specifically on ward 15, a charter has been developed that clearly describes the Trust's expectations for staff, which also fits with the personal responsibility framework recently launched.

Mrs Brown also described that she was starting to work with other Trusts to share good practice and she was involved in ensuring organisational-wide learning is put in place through her participation with the Celebration of Achievement Awards.

In relation to the bereavement services, Mrs Brown advised that there was now a centralized death certification process and some staff had received training on gaining consent for post mortems to be undertaken.

As a result of the acquisition, a piece of work has been undertaken which identifies the differences between York and Scarborough and now plans are being developed and implemented that remove those variances. Part of this is the introduction of the '15 Steps' project.

Ms Hayward raised the point that staff attitude will be a stronger feature of the appraisal system. Mrs Brown agreed with Mrs Hayward's comments and added that the charter will make it very clear what is expected of staff and make it easier to hold staff to account. The Board discussed the aspects of attitude and asked if it was part of the 'KSF' framework. Ms Hayward advised that there is a communication section which can be made more explicit and linked to all values.

The Board discussed the point about attitude and recognised that it was important that lessons were learnt from bad attitudes and those bad attitudes were not accepted. Dr Turnbull added that he believes there are two key components of attitude – compassion and professionalism, on his

reflection of the complaints he reads, these are regular elements of complaints.

Dr Turnbull added his support to the comments of Mrs Brown regarding the bereavement service. He commented that there had been a significant shift in the management of bereavement services which was valued by all who access the service.

Mr Crowley commented that the two key components referred to by Dr Turnbull should be the minimum the Trust expects of staff. He added that it should be clear what the expectations are and the consequences when people do not meet those expectations. His expectations as Chief Executive was that those who model the wrong behaviours would not be able continue, so that it would not create an environment of the wrong behaviours on the wards.

Mrs Palazzo asked if the system of recruiting Healthcare Assistants (HCA) had impacted on staff attitudes and was there some learning that the Trust could gain for other groups of staff. Mrs Brown confirmed that values-based recruitment had been introduced for Sisters and Matrons and the feedback so far had been very positive.

Mr Rose thanked Mrs Brown for her presentation and it was **agreed** that the Corporate Directors would keep the Trust informed of the continued developments.

Quality and Safety Committee

Mr Rose asked Ms Raper, as Chairman of the new Quality and Safety Committee, to give her report on the deliberations of the Committee to the Board.

Ms Raper explained that this was the first meeting of the Committee and as such the Committee had an extensive debate about the governance and processes of the Committee. Ms Raper asked the Board to consider and approve the Terms of Reference and work programme. The Board reviewed the Terms of Reference and **agreed** some amendments that would be included in the final version. Ms Raper advised that Mrs Palazzo had been appointed as the deputy chairman of the Committee. It was recognised that as this is a new Committee it will take a few months to settle down.

Referring to the Chief Nurse Report Ms Raper highlighted the key points that were discussed in the Committee and she assured the Board they had received assurance from the Chief Nurse on the key points. Ms Raper advised that the Committee had been advised that following the changes to the definition of ‘grading’ pressure ulcers, there would be dual running of both tracking systems to ensure there is assurance of no deterioration in performance. Ms McManus confirmed that this dual running was an important aspect of her assurance about the system and performance.

Ms Raper asked Ms McManus to update the Board on ‘harm free’ care. Ms McManus explained that ‘harm free’ care was about understanding how the Trust keeps patients safe. The safety thermometer is the tool the Trust uses to measure ‘harm free’ care. Ms McManus reminded the Board of the elements included in the tool – pressure ulcers, falls, VTE and urine infections in patients with catheters. She advised that the results of the first audit were very positive and added that the scores do go towards the Trust achieving its Commissioning for Quality and Innovation (CQUIN) targets. At present, there is no benchmarking information available, but the Trust score for last month was 81.37%; as benchmarks are developed, the Trust will be able to establish how good that score is. A further audit is about to be undertaken.

Ms Raper referred to the Medical Director report. She highlighted the points considered by the

Committee and advised they had received assurance at the Committee from the Medical Director.

Ms Raper referred to the mortality event recently held and asked Dr Turnbull to expand on the information included in the report. Dr Turnbull confirmed it was a very successful event. It was very focused on the three specific work streams. He added that there was an excellent speaker from Sheffield. He confirmed that he would report progress back to the Board through the Quality and Safety Committee, or bring any specific aspects directly to the Board.

Ms Raper confirmed that the Committee would keep medication related AIRs under review in the Committee.

Dr Turnbull provided clarification that the falls report did not include the virtual wards information, so does not refer to domestic homes.

Dr Turnbull commented on the mortality data included in the report. He confirmed that the Hospital Standardised Mortality Ratio (HSMR) for York was 95, which would be rebased in November 2012 to 103. Scarborough's figures are 100.4, with a rebase value of 110. Summary Hospital Mortality Indicator (SHMI) (includes deaths with 30 days of discharge) for York is 111, which is just within control limits, Scarborough was 119, which was just outside control limits. The Board asked when the Trust would receive one score. Dr Turnbull advised that there was currently no plan to provide one score.

Dr Turnbull explained to the Board that Imperial College produces an 'outlier alerts' related to potential areas where harm could occur, specifically mortality related to psychosis. This information is also shared with the Care Quality Commission (CQC), NYYPCT and Monitor. The Trust has recently been advised by the CQC that they have undertaken some considerable analysis around this intelligence and confirmed that they have no concerns about the Trust. 15 patients had triggered the alert, but the data held on those patients was concerning; for example, it suggested that patients aged 96 years of age had no co-morbidities. Dr Turnbull said this give an example of the importance of having good quality data.

Report of the Chief Executive

Mr Crowley asked the Board to congratulate Ms Hayward on the awards she and her team had received at the recent Healthcare People Management Association (HPMA) event.

Mr Crowley updated the Board on the post-acquisition arrangements that had been put in place. He advised that the clinical management arrangements were in place and work was underway to ensure everyone was aware of the requirements. He added that he had met the Clinical Strategic Leads to explore and clarify their role further. Karl Mainprize who was the Medical Director of Scarborough, has been appointed as Deputy Medical Director and Neil Todd has been appointed as Clinical Director for Laboratory Medicine across the enlarged Trust. Interviews are being arranged for the Clinical Director of Radiology post.

Ms Raper commented that she would like to add congratulations for some pieces of work including 'Staff Matters', which she thought was an excellent document. She added that she also would like to congratulate the Arts team and the Estates team for the work they had been involved with together and the resulting art work being displayed in the main reception area.

The Board **noted** Mr Crowley's comments and report. Mr Crowley asked the Board to accept his apologies as he was required to attend another meeting.

Mr Crowley left the Board meeting.

Finance and Performance Committee

Mr Rose asked Mr Sweet, the Chairman of the Committee to give his report.

Mr Sweet commented that, as with the Quality and Safety Committee, this was the first meeting of the Finance and Performance Committee. The Committee had spent considerable time at the meeting confirming the governance and process arrangements. He explained that the Finance and Performance Committee and the Quality and Safety Committee were parallel Committees and the draft Terms of Reference had been designed to be matching, he asked the Board to approve the terms of reference and work programme, subject to the changes made to the matching Quality and Safety Committee Terms of Reference in the debate earlier in the meeting. The Board **approved** the Terms of Reference and work programme.

Mr Sweet asked the Board to note the pressure on the cancer targets, specifically 31 day, 62 day and fast track targets. He advised that the Monitor self-certification shows that 31 day cancer subsequent surgical target has not been achieved in quarter 1; therefore the submission to Monitor will be amber-green for governance.

Mr Sweet advised that the Committee sought assurance around the Emergency Department target. Assurance was received, but it was agreed in the Committee that it should be kept under careful review. Mr Cooney has agreed that he will provide the Committee with an update on the improvements that have been made around the Emergency Department.

Mr Sweet advised the Board that there was concern about the renewed increase in the 18-week backlog. He advised that there had been a year-on-year increase (19%) in demand in surgical activity. Currently significant work is underway to ensure capacity meets this increase in demand. Mr Proctor commented that the 18-week target has always been a demanding target to manage and achieve, which does mean that there are occasions when the backlog does increase.

Sir Michael commented about the Emergency Department performance, he acknowledged the huge pressure that the department is under. Sir Michael asked how performance could be improved. Do the people who arrive in the department need to be there, or could they be treated elsewhere? The Board agreed that there were occasions when members of the public do attend the Emergency Department when they could go to the GP or a walk in clinic. Mr Proctor added that the median arrival to treatment is a better indicator for the performance of the department rather than the 4 hour target, as the latter focuses on the ‘ tail’ of the data

Mr Sweet referred to the finance report. He summarised the discussions held in the Committee. He advised that confirmation from the Treasury was still being awaited concerning the Scarborough capital funding. The Committee had a discussion about the PCT declared deficit and the future treatment of that debt. Mr Bertram advised that there had been two statements made about such debts; one suggests that the debt will be transferred to the Clinical Commissioning Groups (CCG), the second, made by the Health Minister Mr Lansley in the House of Commons stated that no legacy debts would be carried over to the CCGs. If the first statement is correct, this will have an impact on the whole area’s financial ability to commission services in 2013/14.

Mr Sweet referred to the efficiency paper. He advised that York had seen a marked improvement in results this month, but there was some concern about the achievements of the efficiencies in

Scarborough. The Board discussed the concern and noted that considerable work was being undertaken at Scarborough. Mr Proctor commented that the management of the hospital had undergone significant change, including moving from divisions to a large number of directorates, which had created some delay in the progress of setting up the budgets. He suggested that some of the delays may be due to the clarification of the budgets and the other management changes that are being put in place. The Board **noted** and **agreed** with the comments made.

The Board **noted** the assurances received from the work of the Committee. Mr Rose thanked Mr Sweet for his report.

Chairman's items

The Chairman presented his report. He added his congratulations to the HR department and Ms Hayward.

Mr Rose advised that the Governors had, subject to the approval of the full Council of Governors, agreed the appointment of two new Non-executive Directors. Both are based in the east of the area. He advised that one has a business background and has no NHS experience; the other had been a Non-executive Director of Scarborough sometime ago and had a financial background.

Mr Rose advised that nominations are still open for the elections of Governors. He advised that currently there were sufficient nominations to ensure there will be an election in most of the constituencies, except for staff constituencies. Further publication of the elections was being made to staff in Scarborough and the community, through Team Brief and an all user email.

The Board **noted** the report included in the pack.

Integration action plan update

Mr Rose asked the Board to **note** the report and the assurance gained by the Board by the comments. The integration is proceeding as planned. The Board reviewed the report and **agreed** that significant assurance could be gained from the report.

Monitor quarter 1 self-assessment

Mr Rose asked Mr Bertram to comment on the proposed submission. Mr Bertram commented that as discussed in the Board meeting the governance rating was amber-green. The financial risk rating was 3 and the third sheet was the declaration sheet which had changed.

The Board **noted** the declaration and **confirmed** they had not seen or heard anything during the Board meeting that would adjust any of the self-certification. The Board approved the self-certification.

Quality and Safety Committee

Mr Rose asked Ms Raper, as Chairman of the Quality and Safety Committee, to give her report on the deliberations of the Committee to the Board.

Ms Raper reported that the development of the Committee has continued and the Committee was bedding in well.

Ms Raper advised that the Committee had reviewed the Chief Nurse Report – Quality of Care in detail and she would like to bring the following items to the Board's attention:

- **Harm Free Care** – She advised that good progress has been made across the whole organisation during the last month.
- **Patient experience** – 'friends and family test' – Ms Raper advised that the Trust was using the test endorsed by the government and the results are being reviewed.
- **Nursing Care Indicators** – Excellent progress has been made during the last month. There is still a minor issue around consistency to resolve. Ms Raper wished to extend her thanks and congratulations to all those involved in the work.

Ms Raper advised that the Committee had reviewed the Medical Director Report – Patient Safety in detail, and she would like to bring the following items to the Board's attention:

- **Mortality** – Ms Raper referred to the three work streams that have been set up and advised that she could provide assurance to the Board that excellent progress had been made on the work streams. The Board discussed the comments that were being made nationally about mortality and noted that Dr Turnbull felt there was a spot light on mortality at the moment nationally and he felt that external scrutiny may get stronger. He reminded the Board that he reviews all the deaths across the whole organisation and identifies when there are concerns and strains in the system.

  Ms McManus added that as a result of the second Francis Report and other national information being published, a national mortality dashboard had been developed by the Department of Health which would be launched in the near future.

- **Management of diabetes care** – Ms Raper advised that there were some areas of concern around this aspect of care. She advised that the results of an audit giving a one day snapshot of patients with diabetes had been considered by the Committee and an action plan had been developed to address the concerns raised.

  Dr Turnbull added that, at any one time, there are a number of patients in hospital receiving treatment for conditions not directly associated to diabetes. The audit identified some short-comings in care, which have resulted in a revised action plan being developed. Dr Turnbull reminded the Board that the Trust had launched the 'Think Glucose' initiative a couple of years ago but this audit would suggest that the initiative has not delivered the extent of the benefits hoped for. As a result a revised action plan has been put in place which includes a new diabetes prescription chart, additional training and education for nursing staff. A business case seeking an additional diabetes nurse specialist has been agreed in principle by the Corporate Directors and other work stream work is being implemented.

  Mr Rose asked if there was a peer review system similar to the cancer peer reviews. Dr Turnbull explained that there are areas where peer review exists for example, Glaucoma service had a recent peer review which demonstrated a very good service; it just needs to be extended to the whole of the service.

  Mr Sweet asked if the diabetes service could be delivered more in the community. Dr Turnbull explained that one of the objectives of the directorate is to be able to provide more services for diabetes management in the community rather than acute based. He added that

the new clinical lead is Dr Jonny Thow.

- **Director of Infection Prevention and Control Annual Report** – Ms Raper referred to the Director of Infection Prevention and Control Annual Report and commended the report. She advised that the report contained significant detail to give strong assurance on the systems in place, although this does only relate to York. Ms Raper asked for confirmation that Scarborough Board had received their annual report before the dissolution of the Trust. Mrs Pridmore confirmed she understood that was the case.

- **Quarterly Compliance Report** – Ms Raper advised that the report provided significant assurance on the compliance with CQC but it was noted that the information only related to York. Ms McManus advised that she understood that the CQC would keep York and Scarborough Quality Risk Profile (QRP) report separate at present. It was their intention that they would bring them together in due course.

  Ms Raper drew the Board's attention to the change to the CQC inspection regime. Ms McManus advised that they will visit the Trust at least once an annual basis in future and the visits will be unannounced.

  Ms Hayward asked if the CQC would choose what they looked at when they came because she had noted that their key issues of concern at Scarborough included staffing levels. She would be able to provide some evidence of improvements that have been made. Ms McManus confirmed that the Trust will not know what they intend to review until they arrive and advise the Trust.

  Mr Rose asked if the QRP could be used with the Governors. Ms McManus confirmed that it could be but the introduction of the National Quality Dashboard might be a better document for the Governors and easier to understand.

  Dr Turnbull added that Dr Foster would be publishing their annual 'Good Hospital Guide' in November or December, which could again be used with the Governors. The only issue is that it will only relate to York and not York and Scarborough this year.

- **Summary of Clinical Quality and Safety Group (now called Patient Safety Group)** – Ms Raper advised that the trajectory for C-Diff was giving cause for concern. The absolute figures for York show a rise in incidents over the last two months. Ms McManus advised that a paper has been considered by the Executive Board which re-emphasises the anti-microbial formulary and environmental issues.

  Dr Turnbull added that with regard to the prescribing aspect, there are three points the Board should note. Firstly, that the pharmacy will not dispense drugs that are not included in the formulary. Secondly, work is underway to ensure repeated prescriptions are avoided. Thirdly, the length of a course of drugs is being kept to a minimum. The Board asked if the electronic prescribing could help with these points. Dr Turnbull confirmed that the system will help and is part of the final solution.

  Mr Rose asked if there was any financial impact from this increase. Mr Bertram advised that the PCT has the right to fine the Trust should it breach the trajectory. The contract states that the Trust has a trajectory of 27 cases for the year but the PCT would not be able to levy a fine until there had been 35 cases.

The Board **noted** the report given. Mr Rose thanked Ms Raper for her report and the information provided by Ms McManus and Dr Turnbull. The Board **agreed** that the report and the supporting information provided in the Board papers gave significant assurance to the Board on quality and safety.

Finance and Performance Committee

Mr Rose asked Mr Sweet, as Chairman of the Finance and Performance Committee, to give his report on the deliberations of the Committee to the Board.

Ms Sweet reported that the development of the Committee has continued and the Committee was bedding in well.

Mr Sweet advised that the Committee had reviewed the Finance Report in detail and he would like to bring the following items to the Board's attention:

- **Finance Report** – Mr Sweet asked the Board to recognise the excellent work of the finance department in completing the collation of the ledgers from Scarborough and York into one ledger. The Board **agreed** that the achievement was excellent and appreciation was extended to the finance team.

  Mr Sweet asked Mr Bertram to comment on the outstanding issue after bringing the two ledgers together. Mr Bertram advised that at Q1 Scarborough's ledger showed a deficit of £638,000. Monitor has expressly asked the Trust to exclude the results of Scarborough Q1 from the Trust's financial risk rating (FRR) for the year. Therefore, the £638,000 has been included in the ledgers but is not included in the Q1 results. The Transaction Agreement did not protect the Trust against a deficit position at the end of Q1 because York effectively took responsibility for Scarborough from 1 April 2012. (The Transaction Agreement only covered any financial issues that might have existed at the year end from financial year 2011/12). Mr Bertram confirmed that there were no issues relating to the old year. The £638,000 will be shown in the annual accounts. Mr Bertram advised that the deficit is made up of a number of items – the Cost Improvement Plan (CIP) being behind plan, redundancy payments made by Scarborough and some overspending trends. Mr Bertram confirmed he did not expect this position to materially impact on the enlarged Trust but more that this reflected a well understood position at Scarborough that was now the subject of an enhanced performance management regime. In addition, some of the transition funding is designed to address these issues.

  Mr Sweet drew the Board's attention to the PCT contract position and noted the level of activity. He asked Mr Bertram to explain the risk sharing arrangements. Mr Bertram reminded the Board that part of the contract with the PCT was a risk sharing arrangement managed through the System Management Executive. The threshold agreed is 3% above contract, at which point the risk sharing arrangements are invoked. This 3% excludes pass through payments and lucentis costs. The amount of additional work above the 3% threshold is estimated to be £600,000, therefore, a prudent adjustment has been made in the accounts and discussions will be held on the settlement value.

  Mr Sweet advised that the report shows the Trust being materially behind plan in terms of

cash, mainly because the Trust had expected to receive all support payments relating to the acquisition of Scarborough. There are some delays in receipt of all monies due although, at this stage, there are no concerns with full payment expected.

In terms of activity, Mr Sweet drew the Board's attention to the rise in referrals. The Board **agreed** that the rise did give concern. Dr Turnbull reported that the Commissioners have undertaken a formal review looking at the variances in referral rates. The review has shown that some practices refer much more than others. It was confirmed that the Trust does submit weekly data to the commissioners.

The efficiency report continues to give some concern to Mr Sweet. He explained that the percentage of non recurrent savings still seems high. The unidentified gaps in savings at both sites is concerning but more so at Scarborough. It was acknowledged that Scarborough is back-loaded to deliver. Mr Sweet also added that he had noted that there are a number of Directorates there that have not made any savings this year.

The Board discussed that the culture is developing and better outturns are beginning to be seen. The Board **agreed** that considerable assurance could be gained from the developments that had been made and the work that was continuing to support the Directorates to deliver the CIP.

- **Operations Report** – Mr Sweet advised that the group had not had sufficient time to consider the CQUIN report or the additional Emergency Department Report. The Committee would at its next meeting start with the Operations Report and associated documents and follow on with considering the finance and CIP reports.

    - First to follow up ratio – Progress is being made in maintaining the achievement of the target.
    - Emergency Department – A business case for the introduction of a further Consultant post is being developed. It is anticipated that the risk is around the ability to continue to recruit the middle grade doctors and maintain a sustainable service. The problem will become more pronounced by February 2013 when the next intake is due. The appointment of a further Consultant will ensure there is senior leadership in the department throughout all hours. At present emergency medicine is not seen as attractive by junior doctors, therefore, alternative models are being explored, including using the available resources in a different way.
    - 18-week RTT target – Mr Sweet advised that it is evident from the information that some additional capacity needs to be created in general surgery.
    - Cancer – Mr Sweet reported that there still remains a small risk of continuing the delivery of the targets. He asked the Board to note that the 62-day cancer screening was not achieved at Q1, which did result in the Board submitting a governance rating of Amber-Green.

- **Capital programme** – The Committee agreed that it would receive a quarterly report on capital expenditure and updates would be included in the Finance Report for the Board of Directors.

The Board **noted** the report given. Mr Rose thanked Mr Sweet for his report and the information provided by Mr Bertram. The Board **agreed** that the report and the supporting information provided in the Board papers gave significant assurance to the Board on finance and performance.

Quarterly HR Performance Report

Mr Ashton commented that he had noted that the long term sickness figures had increased, as had the temporary workforce spend and the budgeted establishment. He asked if Ms Hayward could explain the changes. Ms Hayward explained that the Scarborough temporary workforce figure was 10.13%. She expected the figure to come down, may be not to the York level, and the reduction would be part of a CIP. Ms Hayward advised that the increase in the budgeted establishment was as a result of an increase in therapist (around 60 additional staff) as part of the MSK service. The long term sick increase is as a result of the Trust trying to support individuals for a longer period in the hope that the Trust will get them back to work. There is also work to ensure that the balance is maintained.

The Board discussed the report and **agreed** that at present they would like to continue to receive a segmented report with a section for Community.

Ms Raper asked if there were any other benchmarking figures that could be used in the report. Ms Hayward advised that at present there is nothing that could be considered consistent. There is a system called E-win that is being developed but it is not sufficiently developed to use yet.

The Board **noted** the content of the report and **agreed** that the report provided significant assurance to the Board along with the comments made by Ms Hayward.

Chairman's items

Mr Rose drew the Board's attention his report. He asked the Directors to be supportive of the induction programme for the new Non-executive Directors and Governors. It will be quite an extensive programme that will involve all Directors.

The Board **noted** the comments and agreed there would be support for the induction programme.

Proposal to change Board days

Mr Rose presented the paper and the Board discussed the proposal. It was **agreed** that the proposal should not be taken forward at this stage. The driver for the proposal was the ability to complete the information report on the Committees (both Finance and performance and Quality and Safety) to include in the Board Pack. It was proposed that the report front sheet is used in future for the short summary that would be distributed with the papers and the detailed report from the Committee meetings is included in the part 2 documents, which may be distributed or sent after the main Board pack is distributed, allowing time for these reports to be completed.

Report of the Chief Executive

Mr Crowley presented his report and drew the Board's attention to his comments on the North Yorkshire Review. He advised that a further review is being undertaken by KPMG; this review should report in about two months and will have specific emphasis on assessing the opportunities for restructuring the cost of provision overall.

Mr Rose asked if it would be possible for some of this information to be included in the Board time-out. Mr Crowley advised that he would have a better idea of the next week or two. If it is possible, he will make sure it is included in the time-out.

The Board went on to have a strategic discussion about the North Yorkshire area and the positioning of all Trusts in the area.

Mr Crowley asked the Board to note the comments on the stroke accreditation. He advised that a group was being pulled together to bring together a number of elements. He advised that there would be a further report presented to the Board in due course.

Mr Crowley referred to the integration programme. He proposed that the Board should now receive reports on a quarterly basis rather than every month. The Board discussed the proposal and **agreed** that it was the right time for the reporting timing to change to quarterly. It was noted that six months after the acquisition completion the Trust was required to provide a number of assurances to Monitor.

Mr Crowley asked the Board to consider the fairness principles included in the papers and confirm that the Board is supportive of them. The Board considered the principles and **agreed** that the Board was supportive of them.

Action: Mrs Pridmore to advise the Council that the Board is supportive of the fairness principles.